

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0200-01
Bill No.: SB 155
Subject: Kansas City; Historic Preservation; Tourism; Museums
Type: Original
Date: February 11, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Park Sales Tax Fund	(Not Expected to Exceed \$100,000)	\$0	\$0
Total Estimated Net Effect on Other State Funds	(Not Expected to Exceed \$100,000)	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Division of Tourism**, stated that this proposal would not have a material effect on their agency.

Officials from the **Department of Natural Resources (DNR)** assume DNR would incur capital improvement costs including acquisition costs and renovation costs to bring the Walt Disney Film Studio in line with the standards of historic sites in the state park system. The DNR would be responsible for all financial obligations connected with the Disney Studio, including acquisition costs for the studio, adjacent properties for parking; administrative, interpretive, and maintenance personnel; operating expenses; equipment; and capital improvement expenditures.

The DNR has not conducted an environmental assessment of this property. If environmental contamination is discovered on the property, the related clean-up costs could be significant. Until an environmental assessment has been completed, the total cost to acquire and maintain this property is unknown.

The Walt Disney Film Studio is a two-story, six-bay rectangular-plan commercial building (10,400 square feet) measuring 100 feet east-west and 52 feet north-south. The building contains a partial basement comprised of a coal room and furnace room (780 square feet). A single story

ASSUMPTION (continued)

rectangular concrete cinder block addition (1,120 square feet) measuring approximately 80 feet east-west and 14 feet north-south, is located along the rear (south) facade.

The DNR assumes they would incur the following renovation cost:

\$ 20,000	building acquisition;
120,000	stabilization and demolition, debris removal;
3,100,825	renovation, roof reconstruction, tuck-pointing and interior work on the main building at \$200 per square foot; on the partial basement at approximately \$75 square foot
60,000	site work, water, sewer, lighting, and security
162,000	acquisition of lot and development of parking lot
48,000	lead and asbestos removal
<u>120,000</u>	elevator for ADA access
\$3,630,825	Total Renovation Costs

In addition, the DNR assumes they would budget for:

\$ 435,699	contingencies at 12% of the renovation cost - ($\$3,630,825 \times 12\%$)
487,983	architect and engineering studies at 12% of total costs - ($\$4,066,524 \times 12\%$); and
<u>97,597</u>	administrative costs of 2.4% of total costs - ($\$4,066,524 \times 2.4\%$).
<u>\$4,652,104</u>	Total acquisition and renovation cost

The DNR assumes these acquisition and renovation costs do not include renovation costs for the concrete cinder block addition. At this time, the department needs further information/data on this building to determine potential renovation activities.

The DNR states that projected revenues will be derived primarily from tour fees and donations and estimated annual totals of \$5,000.

DNR states that Section B of this legislation requires that the legislation will be in full force and effect upon its passage and approval. Therefore, if passed, this legislation would be effective immediately upon the Governor's signature. However, the normal process for appropriation authority for TAFP legislation is that the appropriations, unless an emergency situation, are not requested until the following budget request year. This request would be a part of a CI Budget presentation. The next biennial CI budget cycle will be in FY2005. Therefore, the department would request the additional appropriation authority for 2003 TAFP legislation in the FY05 budget request.

ASSUMPTION (continued)

DNR officials stated that although the proposal does not address acquisition and renovation of the property, from a liability perspective, DNR would have to take immediate action to address any structural problems with the building and to either board it up or otherwise make it safe. DNR officials further state that DNR is responsible for preserving and protecting the cultural resources that it owns. If the Walt Disney Studio were conveyed to DNR, it would be their responsibility to preserve and protect it. DNR estimated initial costs associated with acquisition and securing the property were estimated as follows:

Building Acquisition	\$ 20,000
Phase I Environmental Assessment	\$ 2,000 - \$ 3,000
Phase II Environmental Assessment, if needed	\$ Unknown
Asbestos cleanup and disposal, if needed	\$ 5,000 - \$ 10,000
Lead paint clean-up, if needed	\$ 10,000
Sampling and disposal of suspect drum	<u>\$ 1,000</u>
	<hr/> \$ 38,000 - \$44,000

DNR assumes there would also be a public expectation that the site be opened to the public at some future point which would require substantial expenditures to renovate and restore the building to the time period that Walt Disney used it as a studio.

Oversight assumes that this proposal provides enabling legislation only to designate the Walt Disney Studio as a "Missouri State Historical Site" and it does not mandate that DNR will acquire, renovate, or maintain the property. However, if DNR does acquire this property and secures the property until appropriation is made for renovation of the property or private funding is obtained, **Oversight** assumes the initial costs would not exceed \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2004	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2004

FY 2005

FY 2006

PARKS SALES TAX FUND

Cost - Acquisition and Securitization of
Property

(Not Expected
to Exceed
\$100,000)

\$0

\$0

**ESTIMATED NET EFFECT ON
PARKS SALES TAX FUND**

(Not Expected
to Exceed
\$100,000)

\$0

\$0

FISCAL IMPACT - Small Business

Small business providing assessment, removal and disposal of hazardous wastes could be affected by this proposal.

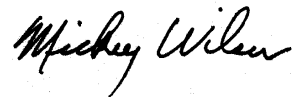
DESCRIPTION

This proposal designates the first commercial film studio in Missouri operated by Walt Disney as a Missouri State Historical site.

This legislation is not federally mandated, would not duplicate any other program and would not require additional rental space, but could require capital improvements for renovation of the Walt Disney Studio.

SOURCES OF INFORMATION

Department of Economic Development
Division of Tourism
Department of Natural Resources

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 11, 2003